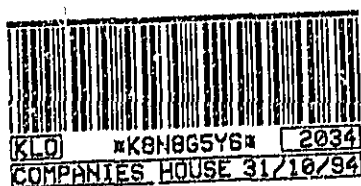


COMPANY NO: 2174990

WARDSWIFT GROUP PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1994



WARDSKIFT GROUP PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1994

Company Registration Number: 2174990

Registered Office: 1 Twyford Place
Lincoln's Inn
Lincoln Road
High Wycombe
Bucks
HP12 3RE

Directors: Mr P D J Kelly
Mr A Newman

Secretary: Mr P D J Kelly

Bankers: National Westminster Bank Plc
P O Box 17
33 High Street
High Wycombe
Bucks
HP11 2AJ

Solicitors: George & George
Dial House
14 Crendon Street
High Wycombe
Bucks
HP13 6LW

Auditors: Grant Thornton
Chartered Accountants
The Old Registry
Amersham Hill
High Wycombe
Bucks
HP13 6NA

WARDSWIFT GROUP PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1994

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WARDSWIFT GROUP PLC

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 1994.

Principal activities

The group is principally engaged in recruitment consultancy and selling computer software.

Review of the business

The loss for the year after taxation is stated on page 6. The directors do not recommend payment of a dividend.

Directors

The directors in office during and at the end of the year are listed below.

The interests of the directors and their families in the shares of the company at 1 April 1993 and at 31 March 1994 as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	1994 and 1993 Ordinary Shares
Mr P D J Kelly	50,000
Mr A Newman	-

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

WARDSWIFT GROUP PLC

REPORT OF THE DIRECTORS (CONTINUED)

Directors' responsibilities for the financial statements (continued)

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

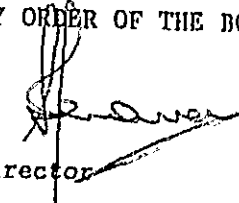
Fixed assets

The principal items of capital expenditure of the group were computer equipment costing £25,980 and development costs of £24,988. The company purchased a 78% holding in a new subsidiary, Software Catalogue Limited.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD


Director

31st October 1994

REPORT OF THE AUDITORS TO THE MEMBERS OF

WARDSWIFT GROUP PLC

We have audited the financial statements on pages 4 to 20 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

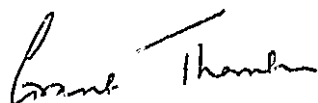
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 March 1994 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
THAMES VALLEY OFFICE
HIGH WYCOMBE

31 October 1994

WARDSWIFT GROUP PLC

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the group have remained unchanged from the previous year and are set out below.

Basis of consolidation

The group financial statements consolidate those of the company and its trading subsidiary undertaking (see note 10) drawn up to 31 March 1994. The results of the subsidiary have been included from the date it commenced trading, 1 April 1993, using the acquisition method of accounting.

Turnover

Turnover is the total amount receivable by the group in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by annual instalments over their expected useful lives.

The rates generally applicable are:

Office equipment	15% reducing balance
Computer equipment	33% straight line
Motor vehicles	25% reducing balance

Development costs

Development costs relating to the development of the Software Catalogue product are capitalised and amortised in accordance with SSAP 13, Accounting for Research and Development, in line with sales of the product.

Leased assets

Where assets are financed by leasing agreements which give risks and rewards approximate to ownership ("finance leases") they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge (calculated using the "rule of 78").

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

WARDSWIFT GROUP PLC

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Contributions to pension funds

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value.

WARDSWIFT GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1994

		Continuing operations		Total	Total
	Note	1994	Acquisitions 1994	1994	1993
		£	£	£	£
Turnover	1	389,195	479,082	868,277	424,119
Cost of sales		<u>(80,135)</u>	<u>(356,808)</u>	<u>(436,943)</u>	<u>(44,654)</u>
Gross profit		309,060	122,274	431,334	379,465
Administrative expenses		<u>(315,392)</u>	<u>(111,949)</u>	<u>(427,341)</u>	<u>(342,948)</u>
Operating (loss)/profit		(6,332)	10,325	3,993	36,517
Interest receivable and similar income				481	3,187
Interest payable and similar charges	2			(9,793)	(4,824)
Exceptional item	4			-	<u>41,400</u>
(Loss)/profit on ordinary activities before taxation	1			(5,319)	76,280
Tax on (loss)/profit on ordinary activities	5			<u>2,683</u>	<u>(20,872)</u>
(Loss)/profit on ordinary activities after taxation				(2,636)	55,408
Minority interest				<u>(989)</u>	-
(Loss)/profit for the financial year	16			(3,625)	55,408
Dividends	7			-	<u>(20,000)</u>
Retained (loss)/profit for the financial year				<u>(3,625)</u>	<u>35,408</u>

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

WARDSWIFT GROUP PLC

CONSOLIDATED BALANCE SHEET AT 31 MARCH 1994

		1994 £	1993 £
Fixed assets			
Intangible assets	8	24,988	-
Tangible assets	9	71,289	60,512
Investments	10	<u>2</u>	<u>2</u>
		96,279	60,514
Current assets			
Stocks	11	56,080	-
Debtors	12	259,732	127,375
Cash at bank and in hand		<u>20</u>	<u>19,459</u>
		315,832	146,834
Creditors: amounts falling due within one year	13	(287,440)	(101,867)
Net current assets		<u>28,392</u>	<u>44,967</u>
Total assets less current liabilities		124,671	105,481
Creditors: amounts falling due after more than one year	14	(8,326)	-
Minority interests	15	<u>(10,989)</u>	<u>-</u>
		<u>105,356</u>	<u>105,481</u>
Capital and reserves			
Called up share capital	16	21,875	21,875
Capital reserve	16	3,500	-
Profit and loss account	16	<u>79,981</u>	<u>83,606</u>
		<u>105,356</u>	<u>105,481</u>

The financial statements were approved by the Board of directors on:

Director

31 October 1994

The accompanying accounting policies and notes form an integral part of these financial statements.

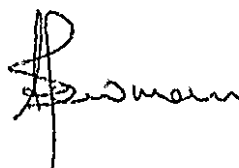
WARDSWIFT GROUP PLC

BALANCE SHEET AT 31 MARCH 1994

	Note	1994 £	1993 £
Fixed assets			
Tangible assets	9	58,650	60,512
Investments	10	<u>31,502</u>	<u>2</u>
		90,152	60,514
Current assets			
Debtors	12	138,506	127,375
Cash at bank and in hand		<u>20</u>	<u>19,459</u>
		138,526	146,834
Creditors: amounts falling due within one year	13	<u>(121,959)</u>	<u>(101,867)</u>
Net current assets		<u>16,567</u>	<u>44,967</u>
Total assets less current liabilities		106,719	105,481
Creditors: amounts falling due after more than one year	14	<u>(8,326)</u>	<u>-</u>
		<u>98,393</u>	<u>105,481</u>
Capital and reserves			
Called up share capital	16	21,875	21,875
Profit and loss account	16	<u>76,518</u>	<u>83,606</u>
		<u>98,393</u>	<u>105,481</u>

The financial statements were approved by the Board of directors on

Director



31 October 1994

The accompanying accounting policies and notes form an integral part of these financial statements.

WARDSWIFT GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 1994

	Note	1994 £	1993 £
Net cash inflow/(outflow) from operating activities	17	379	(40,688)
Returns on investments and servicing of finance			
Interest received	481	3,187	
Interest paid	(9,793)	(4,824)	
Dividends paid	-	(20,000)	
Net cash outflow from returns on investments and servicing of finance		(9,312)	(21,637)
Taxation			
UK corporation tax paid		(6,667)	(14,363)
Investing activities			
Purchase of intangible fixed assets	(24,988)	-	
Purchase of tangible fixed assets	(30,309)	(38,367)	
Sale of tangible fixed assets	1,781	13,928	
Sale of investment (exceptional item)	-	70,000	
Net cash (outflow)/inflow from investing activities		(53,516)	45,561
Net cash outflow before financing		(69,116)	(31,127)
Financing			
Capital element of finance lease rentals	18	3,551	(10,142)
Decrease in cash and cash equivalents	19	(65,565)	(41,269)

The accompanying accounting policies and notes form an integral part of these financial statements.

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1994

1 Turnover and (loss)/profit on ordinary activities before taxation

The turnover, (loss)/profit before taxation and net assets are attributable to the following activities, which are carried on in a single geographical market:

	Turnover		(Loss)/profit before taxation		Net assets	
	1994	1993	1994	1993	1994	1993
	£	£	£	£	£	£
Recruitment consultancy	389,195	424,119	(9,771)	76,280	98,393	105,481
Computer software sales	<u>479,082</u>	<u>-</u>	<u>4,452</u>	<u>-</u>	<u>6,963</u>	<u>-</u>
	<u>868,277</u>	<u>424,119</u>	<u>(5,319)</u>	<u>76,280</u>	<u>105,356</u>	<u>105,481</u>

The (loss)/profit on ordinary activities is stated after:

	1994	1993
	£	£
Auditors' remuneration		
- audit services		
- non audit services	5,195	2,600
Hire of plant and machinery	780	1,577
Other operating lease rentals	4,253	7,347
Depreciation of tangible fixed assets	20,000	15,000
- owned		
- held under finance leases	15,137	17,256
	<u>2,692</u>	<u>7,836</u>

2 Interest payable and similar charges

	1994	1993
	£	£
On bank loans, overdrafts and other loans		
- repayable within 5 years, otherwise than by instalments	<u>9,793</u>	<u>4,824</u>

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

3 Directors and employees

The average number of employees of the group during the year and their aggregate emoluments are shown below:

	1994 £	1993 £
Wages and salaries	192,623	120,100
Social security costs	23,121	15,105
Pension costs	<u>2,789</u>	<u>2,909</u>
	<u>218,533</u>	<u>138,114</u>

The average number of employees was 13 (1993 :8)

Staff costs include remuneration in respect of directors, as follows:

	1994 £	1993 £
Management remuneration	47,375	43,000
Directors' fees	19,500	10,000
Pension contributions	<u>2,789</u>	<u>2,909</u>
	<u>69,664</u>	<u>55,909</u>

The emoluments of the directors, excluding pension contributions were as follows:

	1994 £	1993 £
Chairman and highest paid director	<u>47,375</u>	<u>43,000</u>
Other director	Number:	Number
£5,001 to £10,000	-	1
£15,001 to £20,000	1	-

4 Exceptional item

The exceptional item represents the profit on disposal of the group's interest in Mela Computers Limited, an associated company.

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

5 Tax on (loss)/profit on ordinary activities

The taxation credit/(charge) is based on the (loss)/profit for the year and is made up as follows:

	1994 £	1993 £
Corporation tax @ 25% (1993 @ 25%)	<u>2,683</u>	<u>(20,872)</u>

6 Loss for the financial year

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the year includes a loss of £7,088 (1993 : profit of £55,408) which is dealt with in the financial statements of the company.

7 Dividends

In 1993 the company paid a dividend of 40 pence per ordinary £1 share (1994 : nil).

8 Intangible fixed assets

	Development costs £
Cost and net book value	
Additions and at 31 March 1994	<u>24,988</u>

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

9 Tangible fixed assets

The group

	Total £	Office equipment £	Computer equipment £	Motor vehicles £
Cost				
At 1 April 1993	141,542	50,047	33,550	57,945
Additions at cost	30,309	4,329	25,980	-
Disposals	(1,703)	-	(1,703)	-
At 31 March 1994	170,148	54,376	57,827	57,945
Depreciation				
At 1 April 1993	81,030	21,612	26,324	33,094
Provided in the year	17,829	4,265	7,350	6,214
At 31 March 1994	98,859	25,877	33,674	39,308
Net book value at 31 March 1994	71,289	28,499	24,153	18,637
Net book value at 31 March 1993	60,512	28,435	7,226	24,851

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

9 Tangible fixed assets (continued)

The company	Total £	Office equipment £	Computer equipment £	Motor vehicles £
Cost				
At 1 April 1993	141,542	50,047	33,550	57,945
Additions at cost	17,670	322	17,348	-
Disposals	(1,703)	-	(1,703)	-
At 31 March 1994	157,509	50,369	49,195	57,945
Depreciation				
At 1 April 1993	81,030	21,612	26,324	33,094
Provided in the year	17,829	4,265	7,350	6,214
At 31 March 1994	98,859	25,877	33,674	39,308
Net book value at 31 March 1994	58,650	24,492	15,521	18,637
Net book value at 31 March 1993	60,512	28,435	7,226	24,851

Included in the figures stated above are assets held under finance leases as follows:

The group and the company	Computer equipment 1994 £	Motor vehicles 1993 £
Net book value	13,455	21,687

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

10 Fixed asset investments

	Shares in subsidiary companies
Cost at 1 April 1993	2
Additions	<u>31,500</u>
Cost at 31 March 1994	<u>31,502</u>

At the start of the year the company purchased 30,000 ordinary £1 shares in a new company Software Catalogue Limited, for £30,000. In November 1993 the company purchased a further 5,000 shares in the same company for £1,500.

At 31 March 1994 the company held more than 10% of the equity of the following companies:

Subsidiary	Country of registration	Class of share capital held	Proportion held	Nature of business
Copy Factory Limited	England and Wales	Ordinary	100%	Dormant
Software Catalogue Limited	England and Wales	Ordinary	78%	Computer software sales

11 Stocks

	1994 £	The group 1993 £
Goods for resale	<u>56,080</u>	<u>-</u>

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

12 Debtors

	1994 £	The group 1993 £	1994 £	The company 1993 £
Trade debtors	222,385	57,375	88,105	57,375
Other debtors	30,000	70,000	30,000	70,000
Prepayments and accrued income	7,347	-	6,250	-
Amounts owed by group undertakings	-	-	14,151	-
	<u>259,732</u>	<u>127,375</u>	<u>138,506</u>	<u>127,375</u>

13 Creditors: amounts falling due within one year

	1994 £	The group 1993 £	1994 £	The company 1993 £
Bank overdrafts	64,924	18,798	55,284	18,798
Trade creditors	146,427	5,406	32,235	5,406
Current taxation	10,689	20,039	10,689	20,039
Social security and other taxes	17,416	14,889	8,874	14,889
Accruals and deferred income	9,142	14,961	6,136	14,961
Other creditors	34,679	18,836	4,578	18,836
Amounts due under finance leases	<u>4,163</u>	<u>8,938</u>	<u>4,163</u>	<u>8,938</u>
	<u>287,440</u>	<u>101,867</u>	<u>121,959</u>	<u>101,867</u>

14 Creditors: amounts falling due after more than one year

	1994 £	The group and the company 1993 £
Amounts due under finance leases	<u>8,326</u>	<u>-</u>

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

15 Minority interests

	1994 £	The group 1993 £
Minority interests	<u>10,989</u>	<u>-</u>

16 Shareholders' funds

The group

	Share Capital £	Capital reserve £	Profit and loss account £	Total £
At 1 April 1992	21,875	-	48,198	70,073
Profit for the financial year	-	-	55,408	55,408
Dividends	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>
At 31 March 1993	21,875	-	83,606	105,481
Loss for the financial year	-	-	(3,625)	(3,625)
Reserve on consolidation	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
At 31 March 1994	<u>21,875</u>	<u>3,500</u>	<u>79,981</u>	<u>105,356</u>

The capital reserve arises on consolidation as a result of the shares purchased in the new subsidiary at below par value.

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

16 Shareholder's funds (continued)

The company	Share capital £	Profit and loss account £	Total £
At 1 April 1992	21,875	48,198	70,073
Profit for the financial year	-	55,408	55,408
Dividends	-	(20,000)	(20,000)
At 31 March 1993	21,875	83,606	105,481
Loss for the financial year	-	(7,088)	(7,088)
At 31 March 1994	21,875	76,518	98,393

The share capital consists of 50,000 authorised, ordinary shares of £1 each, of which 12,500 are allotted, called up and fully paid, and 37,500 are allotted, called up and quarter paid.

17 Net cash inflow/(outflow) from operating activities

	1994 £	1993 £
Operating profit	3,993	36,517
Depreciation	17,829	25,092
Profit on sale of tangible fixed assets	(78)	(10,396)
Increase in stocks	(56,080)	-
Increase in debtors	(132,357)	(50,964)
Increase/(decrease) in creditors	167,072	(40,937)
Net cash inflow/(outflow) from operating activities	379	(40,688)

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

18 Analysis of changes in financing during the year

	Total financing net of cash at bank and in hand £	Share capital £	Loans and finance lease obli- gations £
Balance at 1 April 1992	40,955	21,875	19,080
Net cash outflow from financing	(10,142)	-	(10,142)
Balance at 31 March 1993	30,813	21,875	8,938
Net cash inflow from financing	3,551	-	3,551
Balance at 31 March 1994	<u>34,364</u>	<u>21,875</u>	<u>12,489</u>

19 Analysis of changes in cash and cash equivalents during the year

	1994 £	1993 £
Balance at 1 April	661	41,930
Net cash outflow	(65,565)	(41,269)
Balance at 31 March	<u>(64,904)</u>	<u>661</u>

Cash and cash equivalents comprise:

	1994 £	1993 £	1992 £	Change in 1994 £	Change in 1993 £
Cash at bank and in hand	20	19,459	47,143	(19,439)	(27,684)
Bank overdrafts	(64,924)	(18,798)	(5,213)	(46,126)	(13,585)
	<u>(64,904)</u>	<u>661</u>	<u>41,930</u>	<u>(65,565)</u>	<u>(41,269)</u>

20 Capital commitments

Neither the group nor the company had any capital commitments at 31 March 1994 or 31 March 1993.

WARDSWIFT GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 1994

21 Contingent liabilities

There were no contingent liabilities at 31 March 1994 or 31 March 1993.

22 Leasing commitments

Operating lease payments amounting to £26,076 (1993: £21,828) are due within one year. The leases to which these amounts relate expire as follows:

	1994		1993	
	Land and buildings £	Other £	Land and buildings £	Other £
Between two and five years	<u>25,000</u>	<u>1,076</u>	<u>20,000</u>	<u>1,828</u>

23 Pensions

• Defined contribution scheme

The company operates a defined contribution scheme for the benefit of senior employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.